

# B<sup>2</sup>b

I N S I G H T

ISSUE 1

## The B2B buying process

Understanding how potential customers choose a new supplier



**Do you understand your potential customers?**

Turn your lead generation into new customers

**The Purchasing Group**

Who is involved in the process



## B2B buying process

Understanding how potential customers choose a new supplier

### Do you understand your potential customers?

To establish whether you are meeting your potential buyer's needs, it is important that you are familiar with the way the B2B buying process works. Rather than asking yourself, 'Where do I find new prospective customers?', by understanding the process you can make it as easy as possible for prospects to find you and get the information that they require – turning your lead generation into a customer centric process.

We all know that when making a personal purchase, the first place most of us start is online. So whether we're looking for the best quote for our car insurance, a luxury hotel for the weekend or the most competitive price for the latest gadgets and gizmos, we'll usually start with a popular search engine.

### Who is involved in the process?



When we are purchasing a consumer product, there are often a very small number of influencers involved. Often the only decision-maker is the purchaser themselves, or perhaps a family member. However, when purchasing in the B2B arena, the size of the purchasing group is considerably larger, making the decision to purchase a much lengthier and more complex process. Once you understand your purchasing group you will be able to communicate with the right people, in the right way and with the right information.

#### The Purchasing Group

##### The End User

The user of the product to be purchased. They will usually have identified the problem or requirement themselves and initiated the purchasing process. For example, this could be a Production Manager flagging up a machinery malfunction or a new production requirement that has arisen.

##### The Influencer

This person may not be directly involved in using the product, but they will provide their opinion on the purchase and have some sway over the final decision. For example, when a marketing executive is looking to purchase data for their next campaign, they will often take into account the opinions of the Sales Manager and Marketing Manager.

##### The Decider

This may be a member of senior management who has the final decision on the purchase once all recommendations have been provided.

##### The Purchaser

This person will undertake the search for the product and research comparative offerings. Within some organisations this may be a professional buyer, or this could be a staff member with other responsibilities who has been asked to complete the task.

One thing to highlight is that there could be more than one person undertaking each role within the buying group. For example, there may be many influencers that have very different expectations and objectives. ▶



## Tailoring your efforts



When considering how to meet the needs of the purchasing group it is important that you try to understand both the corporate objectives, and the individual or personal motivators. This will enable you to tailor your marketing and sales efforts.

### Don't forget

An end user will need very different information than a decider.

The end user will want to hear about how your product will work for them personally on a day to day basis as well as much more technical information, whereas an influencer or decider might base their decision much more on your company's reputation and stability and how working with you will affect the company long term.

Is your company information easily accessible and can it easily be transferred and shared with other members of the buying group?

## Different types of purchase



By identifying the different types of purchases that companies make we can get a better insight into the different ways to approach each prospect.

### Repeat purchase

These are commonly purchased items with little perceived risk.

### Repeat with upgrade

These are items that have previously been purchased but for various reasons the new purchase needs slight modifications – this is where clear presentation of upgrades and alternatives in your communications and website will prove useful. Make sure your market knows about new products and their benefits with targeted direct marketing.

### Fresh purchase

For the buyer these have the most perceived risk and therefore are the most time consuming, labour intensive purchases. The level of research and individual involvement will be much greater for this type of purchase. These buyers will need significant clarification of benefits. Don't forget that different members of the purchasing group will be interested in different product benefits.

## The stages of the buying process



Enquiro's B2B Survey 'Mapping the Buying Sphere'<sup>\*\*</sup> identified 4 phases of the purchase process:

- > Awareness
- > Research
- > Negotiation
- > Purchase

<sup>\*\*</sup>The BuyerSphere, Understanding your Market, Mapping the BuyerSphere, Enquiro 2009 ▶



## Tips to help you engage effectively with the buyer at each stage:

### Awareness

When a buyer becomes aware that a purchase is required they will begin their search in several ways. The first is potentially using a search engine. Make sure that your company website is well indexed and search engine optimised; advertising so you appear under key search terms that a buyer may search for and making sure to register your company with online directories and registry sites is a good place to start. They may also contact companies they have been contacted by previously or are a recognised brand – this is where your ongoing branding, direct marketing and promotion really pay off. There may of course be key times of the year that see an upsurge of buying in your industry, for example seasonally or prior to an annual event. Studying your sales patterns can inform when your marketing will give the best return on investment – you'll be more likely to reach potential customers at a time when they are becoming aware of a need.

### Research

Once a buyer has found you or your site they need to understand what you can offer and whether your products and services are suitable for their requirements. To allow them to do this ensure your site can be easily navigated with clear signposting to the key areas. Consider the information that your customer facing staff regularly get asked for and make sure to provide it. Make certain to highlight your company's unique selling points wherever possible. Perhaps include prices, delivery details and testimonials or case studies from previous satisfied customers. Also, make sure that it is easy to be contacted via email or phone; potential customers still like talking to someone to gain further information. At this stage potential customers will be considering your competitors too – make sure you don't put them off by making it difficult to buy from you.

### Negotiation

Clear and accurate contact details allow the buyer to discuss the potential purchase directly. By placing price lists and stock sheets online the buyer can be more advanced in their decision to make a purchase.

When dealing with an extended purchasing process, it is important that you are visible and front-of-mind throughout the buying cycle. Timely communications such as follow-up emails or calls after meetings will ensure that you are not forgotten at important stages, and also provide you with the opportunity to remind your prospects about your company strengths.

Purchase – When the buyer has reached the end of the buying cycle and the decision to purchase has been made, suppliers can enable buyers to complete the transaction online by making their website e-commerce enabled for credit or debit card payments. If this is not possible then again give clear signposting on your site to the relevant telephone number so the buyer knows who to call and you can close the business. ▶





## Emotional Aspects



Emotional aspects of purchasing are more commonly associated with the consumer purchase, whereby there are two main emotions involved; risk and reward. Research undertaken by Enquiro (Mapping the Buyersphere 2009) considers these elements within a B2B setting and suggests that only the element of risk is involved in the B2B buying process, as the reward element has been removed. Plus the risk element is probably even greater in the B2B buying process – as the negative implications of a wrong decision weigh heavily on those within the purchasing group.

In contrast, Enquiro recognise that buyers are very risk averse, and will try to remove risk from the equation. Buying B2B products is much riskier than buying in a B2C environment. Usually, the investment sums are much higher and the potential implications of a bad decision are much greater.

## Summary

**Strong brands imply lower risk of using them, ongoing sales and marketing activity is an investment in the reputation of your company – you may need to establish a really good reputation in the B2B market to be seen as trusted but companies seek long term relationships so once you have made that first sale you can expect that, with good customer care, you will maintain a long term mutually beneficial relationship with your new client.**

**And finally, don't forget that your customers talk to one another...**